

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

SECURITIES INVESTOR PROTECTION  
CORPORATION,

Plaintiff-Applicant,

v.

BERNARD L. MADOFF INVESTMENT  
SECURITIES LLC,

Defendant.

In re:

BERNARD L. MADOFF,

Debtor.

Adv. Pro. No. 08-01789 (SMB)

SIPA Liquidation

(Substantively Consolidated)

**DECLARATION OF VINEET SEHGAL IN SUPPORT OF TRUSTEE'S  
SUPPLEMENTAL MEMORANDUM OF LAW IN SUPPORT OF TRUSTEE'S  
MOTION AFFIRMING TREATMENT OF PROFIT WITHDRAWAL TRANSACTIONS**

I, Vineet Sehgal, pursuant to 28 U.S.C. § 1746, declare as follows:

1. I am a Managing Director at AlixPartners LLP ("AlixPartners"), a consultant to, and claims agent for, Irving H. Picard as trustee (the "Trustee") for the substantively consolidated liquidation of the business of Bernard L. Madoff Investment Securities ("BLMIS") and the chapter 7 estate of Bernard L. Madoff ("Madoff").

2. In December 2008, AlixPartners was retained by the Trustee as the Trustee's claims agent. As the claims agent, AlixPartners was responsible for both mailing the notice of the liquidation and claim forms to potential claimants and causing the notice of the liquidation to be published. AlixPartners has also been responsible for processing all customer claims submitted to the Trustee and assisting the Trustee in reviewing each customer claim filed to determine whether the asserted claim amount agrees with the "net equity" for that account. In addition, as the accountants for the BLMIS estate, AlixPartners has assisted and continues to

assist the Trustee in accounting for the assets of the BLMIS estate, including the cash and cash equivalents available to the Trustee.

3. I have been actively involved in the liquidation of BLMIS and the claims process since December 2008 and have personal knowledge of the matters set forth herein. At the direction of counsel for the Trustee, my colleagues at AlixPartners and I have reviewed the books and records of BLMIS including, but not limited to, BLMIS customer files for all BLMIS accounts containing PW Transactions.

4. I submit this declaration based upon the information and knowledge acquired during the course of my retention and in further support of the Trustee's Memorandum of Law in Support of the Trustee's Motion Affirming Treatment of Profit Withdrawal Transactions and the Trustee's Supplemental Memorandum of Law in Support of the Trustee's Motion Affirming Treatment of Profit Withdrawal Transactions.

5. At the direction of counsel for the Trustee, my colleagues at AlixPartners and I have reviewed the books and records of BLMIS. During the course of my involvement in this matter, I have personally reviewed thousands of documents, as well as schedules prepared, and information collected by, my colleagues relating to the books and records of BLMIS, third party records, bank records and other documentation relevant to BLMIS and its customer accounts and information systems.

6. Attached hereto as Exhibit 1 to this declaration is a listing of all accounts with a filed customer claim that are either directly or indirectly impacted by Profit Withdrawal Transactions. Also indicated on this list is whether an objection to the Trustee's determination of that claim was filed.

7. Attached hereto as Exhibit 2 to this declaration is a listing of the 761 accounts in which Profit Withdrawal Transactions occurred.

8. Based on my review of the available books and records of BLMIS, my team and I identified available customer files for 748 of the 761 BLMIS accounts listed on Exhibit 1. The 748 accounts for which customer files are available are identified in Column 8 of Exhibit 2.

9. At the direction of counsel for the Trustee, my colleagues at AlixPartners and I reviewed the accountholder information and the folder covers from the BLMIS customer file for each BLMIS account identified in Column 1 of Exhibit 2.

10. Specifically, my colleagues and I conducted a detailed review of the customer files and the document included in the customer file that identifies customer information. These documents are entitled “Name & Address File Maintenance” at the top of the page, or, in some instances, “Customer Master File Maintenance” (collectively referred to here as “Name and Address Form”).

11. In addition to the customer’s name and address information, the Name and Address Form also includes instructions regarding the sending or reinvesting of “Profits,” “Interest” and “Dividends,” as identified by an “S” for “Send,” and an “R” for “Reinvest” (collectively referred to here as “Send or Reinvest Instructions”).

12. In addition, in many instances, notations regarding Send or Reinvest Instructions also appeared on the outside of the customer file folders.

13. As part of my review, I have identified all references to “S,” “Send,” “R,” and “Reinvest” located on the Name and Address Form and the customer file folders for each of the 748 accounts identified in Column 8 of Exhibit 2.

14. BLMIS notations referencing “S,” “R,” “Send” or “Reinvest” were identified on the Name and Address Form and/or on the customer file folder itself for 728 of the 748 accounts for which customer files are available. Column 9 of Exhibit 2 identifies the 728 customer files in which Send or Reinvest Instructions were identifiable.

15. In some instances, the customer file indicated only one instruction, for example a single instruction of “S” for “Send” appeared on the Name and Address Form or, likewise, a single instruction of “R” for “Reinvest” appeared on the Name and Address Form.

16. Exhibit 3 to this declaration identifies the 349 accounts for which only a single instruction of “S” for “Send” on the Name and Address Form and/or customer file folder is noted.

17. Exhibit 4 to this declaration identifies the 144 accounts that contain only a single instruction of “R” for “Reinvest” on the Name and Address Form and/or the customer file folder is noted.

18. In other customer files the Send or Reinvest Instructions were changed over the life of the account as evidenced by multiple “S” and “R” instructions on the Name and Address Form and/or the customer file folder.

19. Exhibit 5 to this declaration identifies the 235 accounts that contain at least one “S” and one “R” instruction on the Name and Address Form and/or the customer file folder.

*Intentionally Left Blank*

20. Twenty customer files contained neither an “S” nor an “R” notation on the Name and Address Form or the customer file folder. These accounts are identified on Exhibit 6 to this declaration.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Executed on August 12, 2016  
New York, New York

A handwritten signature in dark ink, appearing to read "V. Sehgal", is written over a horizontal line.

Vineet Sehgal  
Managing Director  
AlixPartners, LLP  
909 Third Avenue  
New York, New York 10022